

Ethnic penalty in Europe from a regional perspective: natives, migrants and the trade-off model of labour market integration

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European Population Conference 2020
Padova, 24-27 June

Abstract

The debate on ethnic penalty (the difference between immigrants and natives after controlling for socio-demographic characteristics) into the labour market, in terms both of professional status and job quality, has been particularly intense in Europe in recent years (Kogan 2006; 2007; Heath, Cheung, 2007; Pichler, 2011; Reyneri and Fullin, 2011a; 2011b; Ballarino and Panichella, 2015; 2018). Beyond the individual dimension (micro level), these studies have emphasized also the macro-institutional one, taking into consideration some key characteristics to define the national or supra-national level (welfare regimes, models of capitalisms, strictness of employment regulation, migration policies) as relevant factors in determining the extent and characteristics of ethnic penalty. In particular, the proposed analyses have contributed to define two prevailing models (Panichella, 2018). The first one is proper of Central-Northern Europe, where immigrants face a double penalty compared to natives, in terms of probability both of being employed and of having a *good* job. In Southern European countries, on the other hand, the probability of being employed is similar between natives and immigrants, but the latter are much more penalized in terms of job quality.

Although it has been highlighted the association between some characteristics of the national/macro-institutional level and ethnic penalty, recent studies adopting a regional perspective approach have shown that within the same institutional context different models of labor market integration and penalization of immigrants can coexist, suggesting the relevance of the local or meso-institutional dimension (Avola 2015a; 2015b). While different contexts within the same country share a common institutional framework (welfare regime, model of capitalism, strictness of employment regulation, migration policies), they differ in terms of labour markets structure and, in particular, relevance assumed by the secondary labour market and informal modalities of regulation prevailing in it (as already suggested in the literature, see Kogan 2006; Reyneri and Fullin 2011a).

In this perspective, this study aims to verify to what extent the ethnic penalty is associated with meso-level factors, exploring the relevance of some characteristics of the labour market structure at regional level on the gap in the occupational achievement between migrants and natives. In particular, we hypothesize that a wider extent of the secondary labour market would reduce the risk of penalization for immigrants in terms of probability of being employed, but it would increase the penalization in terms of probability of having a *bad* job (trade-off effect). To answer this research question, we use Eurostat Labour Force Survey (EU-LFS) data for 24 countries, focusing on over 200 European regions (defined at NUTS2 level). Considering the nested nature of the data, two multilevel models are estimated in order to highlight the association between the size of the secondary labour market at the regional level and the probability of being employed (*M1*) and of having a *good* job (*M2*).

Preliminary results confirm our hypothesis: the wider the extent of the secondary labour market at regional level, the ethnic penalty in terms of probability of being employed (figure 1) and the higher in terms of job quality (figure 2). Moreover, during the Great Recession something change, particularly in terms of probability of being employed: the gap between natives and immigrants is reduced to a lesser extent as the importance of the secondary labour market at the regional level grows. This finding suggests that the crisis has contributed to redefine the competitive relationships between the two groups.

Figure 1 – Predicted probability of being employed by share of Isco 9 at regional level

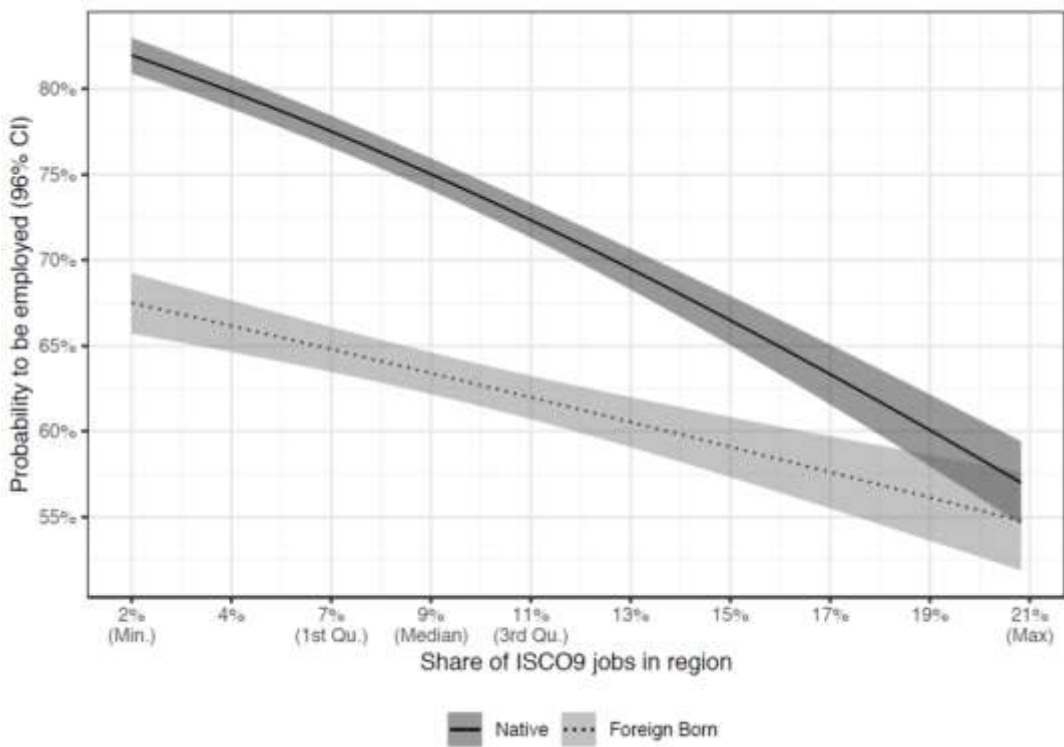
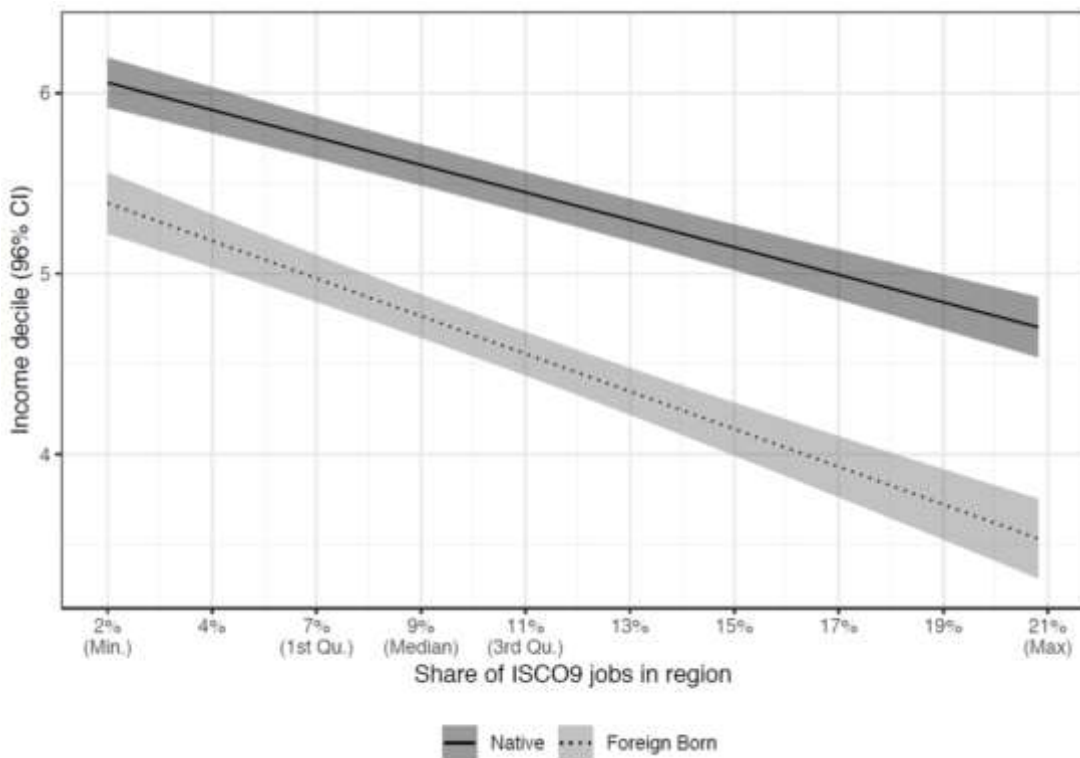


Figure 2 – Predicted probability of monthly pay (decile) by share of Isco 9 at regional level



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